

**Commonwealth of Kentucky  
Public Protection Cabinet**

**For Immediate Release**

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**ANNUAL WORKERS' COMP FILING APPROVED**  
***Loss costs show continued good news for Kentucky employers***

FRANKFORT, Ky. (Aug. 27, 2008) – A 2008 filing most insurance carriers will use to develop rates for workers' compensation coverage shows the third straight decrease in loss costs, Department of Insurance Commissioner Sharon P. Clark announced today.

The filing, approved by the state Department of Insurance and effective Oct. 1, is by the National Council on Compensation Insurance Inc. (NCCI), an advisory organization that serves as the oldest provider of workers' compensation and employee injury data and statistics in the nation.

"As businesses face tough economic times, this is a welcome piece of news," said Clark. "Workers' compensation insurance is a large cost of doing business. This also is good news for hardworking Kentuckians since the report shows a continuing decline in the number of workplace injuries and a slight decline in the severity of those claims."

Data collected from insurance carriers is used to develop loss costs, which is the average compensation for lost wages, based on the level of disability, plus medical benefit payments. Use of the information is voluntary but most workers' comp carriers use the NCCI loss cost values as a base to which the insurer's own loss adjustment and overhead expenses are added to arrive at the rates charged to Kentucky employers.

The loss cost figures show an average reduction of 5.1 percent for the 596 industrial classes used in Kentucky. These classes include manufacturing, office and clerical, contracting, and goods and services. For coal classes, underground mining costs dropped 10.5 percent while surface mining decreased 8.7 percent.